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BRAINWARE UNIVERSITY

Term End Examination 2025-2026
Programme – M.Com.(BFA)-2025
Course Name – Financial Markets, Investment and Wealth Management
Course Code - MCM20405
(Semester II)

Full Marks : 60 **Time : 2:30 Hours**

[The figure in the margin indicates full marks. Candidates are required to give their answers in their own words as far as practicable.]

Group-A
(Multiple Choice Type Question) 1 x 15=15

1. *Choose the correct alternative from the following :*

(i) Identify the marketplace that provides an avenue for the sale and purchase of financial assets like equity stocks and bonds.

a) Commodity Market b) Financial Markets
c) Insurance Market d) Futures Market

(ii) Define the term used for the market where equity stocks of companies are traded.

a) Bond Market b) Stock Market
c) Money Market d) Currency Market

(iii) Describe the primary purpose of the bond market for companies and governments.

a) To manage daily liquidity b) To raise money to finance projects or deficits
c) To hedge currency exposure d) To trade natural resources

(iv) Define the maximum maturity period for instruments traded in the money market.

a) 6 months b) Less than 1 year
c) 2 years d) 5 years

(v) Define Investment means -

a) Speculation for short term b) Commitment of funds for future returns
c) Gambling activity d) Lottery participation

(vi) Select Speculation involves -

a) Low risk b) Moderate risk
c) High risk with short horizon d) Guaranteed return

(vii) Define NPV method considers -

a) Accounting profit b) Time value of money
c) Payback only d) Book value

(viii) Select IRR is the rate at which -

a) NPV is zero b) Profit is maximum
c) Cost is minimum d) Payback is fastest

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(ix) Define Diversification reduces

a) Systematic risk b) Unsystematic risk
c) Inflation risk d) Interest rate risk

(x) State Financial crisis increases

a) Market stability b) Market volatility
c) Investor confidence d) Returns

(xi) Describe Retail trading frenzy is driven by

a) Fundamentals only b) Social media influence
c) Government policy d) Tax laws

(xii) Choose Crypto markets are known for

a) Low volatility b) High volatility
c) Guaranteed returns d) No risk

(xiii) Define Wealth creation requires

a) Short term focus b) Long term discipline
c) Speculation d) Gambling

(xiv) Choose Transparency builds

a) Market inefficiency b) Investor trust
c) Speculation d) Fraud

(xv) Select Financial Ethics promotes

a) Short term gains b) Responsible decision making
c) Speculation d) Manipulation

Group-B

(Short Answer Type Questions) 3 x 5=15

2. Explain the concept of financial disintermediation and how it affects traditional banking. (3)
3. Explain the fundamental principle of the risk-return tradeoff in investment decisions. (3)
4. Explain how the Constant Rupee Value Plan functions as a portfolio revision tool. (3)
5. Compare the features of Mutual Funds and Portfolio Management Services (PMS). (3)
6. Compare tax planning and tax evasion in terms of their legality and approach. (3)

OR

Contrast the old tax regime and the new tax regime currently available in India. (3)

Group-C

(Long Answer Type Questions) 5 x 6=30

7. Differentiate between the regulatory functions of SEBI and RBI regarding their oversight of the financial ecosystem. (5)
8. Compare the Arbitrage Pricing Theory (APT) with CAPM regarding factor sensitivity. (5)
9. Construct an optimum portfolio using the Sharpe Optimum Portfolio Model. (5)
10. Critique the Passive Revision strategy in volatile emerging markets like India. (5)
11. Discuss the role of REITs as a liquid alternative to physical property investment. (5)
12. Differentiate between Wills and Trusts as instruments of estate planning. (5)

OR

Assess the regulatory challenges posed by decentralized finance (DeFi) in the digital era. (5)

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